



FEDERAL RESERVE BANKS

BOSTON • NEW YORK • PHILADELPHIA • CLEVELAND • RICHMOND • ATLANTA • CHICAGO
ST. LOUIS • MINNEAPOLIS • KANSAS CITY • DALLAS • SAN FRANCISCO

May 8, 2006

Announcement of Changes to U.S. Treasury Check Processes

To the Chief Operations Officer:

The Department of the Treasury, Financial Management Service (FMS), will implement a new system on June 1, 2006, which may affect your financial institution. The changes are as follows and will be implemented by FMS and the Federal Reserve Banks:

- The address for sending bank protests on U.S. Treasury Check reclamation requests will change. Consequently, all check reclamation bank protests for check reclamations dated June 1, 2006 or later should be forwarded to:

Department of the Treasury
Financial Management Service
Financial Processing Division
P. O. Box 515
Philadelphia, Pennsylvania 19105-0515

Bank protests on check reclamations dated prior to June 1, 2006, should continue to be forwarded to the Hyattsville, Maryland address listed on the reclamation.

- A new process to return Treasury checks identified as lost or stolen check stock to financial institutions will be implemented on June 1, 2006. Currently, if a U.S. Treasury Check disbursing entity notifies FMS of lost or stolen blank Treasury checks, the check may be paid by the U.S. Treasury and the funds later adjusted to the financial institution where the check was negotiated.

Under the new process, checks that are identified at Federal Reserve Banks as lost or stolen check stock will be returned with a new stamp, shown below, that has been designed to allow for the items to be easily recognized:

NOT NEGOTIABLE
CHECK STOCK LOST/STOLEN FROM
DISBURSING OFFICE BEFORE ISSUE

Identifying these items at the Federal Reserve Banks seeks to reduce the time and collection activity surrounding these checks.

- U.S. Treasury Check adjustments functioned by FMS to the Federal Reserve Banks that are forwarded to financial institutions will be delayed as a result of the cutover to the new system. This delay will take place from May 24, 2006, through June 1, 2006.

Please direct any questions pertaining to the new and old bank protest addresses to Sandra Walls at FMS at (202) 874-7945. Direct any questions that you have regarding the lost or stolen check process and the delay in adjustments to Brent Weaver at FMS at (202) 874-8259.